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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

CONFIDENTIAL
INFORMATION REPORT

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COUNTRY Austria/USSR

SUBJECT Production and Conditions at Wells and Refineries Controlled by the Soviet Oil Administration (SMV)

PLACE ACQUIRED

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SUPPLEMENT TO
REPORT NO.

1. According to RIHA, distribution manager for petroleum products at Neusiedl, the great expectations which the Soviets had for the Matzen field have not yet been fulfilled, and tests made by SMV laboratories on Schottengasse, Habsburgergasse, Kantgasse, and in Neusiedl have shown that there is only one definite oil stratum in the area. However, the natural gas deposits of the field are expected to be extremely productive for some time to come. The output of Matzen well number 3, the first to be developed, has dropped to 70 tons of crude oil per day and the use of a small diameter beam is no longer necessary.*
2. During the week of 17 April 1949, well number 4 at Matzen was brought in, but the results of the following two weeks of production indicated that this well would probably produce only 50 percent of the output of well number 3, or approximately 35 to 45 tons of crude oil per day. No oil is being obtained from wells number 1 and 2, but other test borings are being made in the area by the Rumpel firm, Siebenhirten.**
3. The Deputy Director of the SMV, POLKACHEV, recently ordered a series of inspections throughout SMV enterprises. These were carried out by high ranking Soviet officials accompanied by 20 or 30 soldiers and, in some cases, arrests were made of workers who were considered lax in their work or careless in handling of equipment.
4. The control of documents and passes in SMV well areas and installations is becoming more rigid, and drivers must carry the following documents which are subject to inspection: a Soviet trip ticket; a trip log; a bill of lading for material carried; a pick-up order; a Soviet driver's license; more and any person accompanying a driver must have an SMV identification document.
5. [REDACTED] one of the most critical shortages in SMV refineries is aviation oil used in Maybach motors. Sixty thousand tons (sic) were ordered from Czechoslovakia but the shipment was diverted by a Soviet Kommandatura to the Strasshof airfield in Lower Austria. Since January, the Kledering refinery near Schwechat has been reclaiming used aviation

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oil and, since, 11 April, the Vacuum refinery in Kagran has emphasized the production of this oil.

6. From approximately 28 March to 23 April 1949, the Floridsdorf and Kagran refineries were not supplied with sulphuric acid by the SMV but, on 23 April, priority orders were received by the SMV office on Schottengasse to resume supplying these refineries. Two tankcar loads of sulphuric acid were diverted from the Nova refinery, which has a monthly consumption of 250 tons of acid and will now be short.
7. The Nova Schwechat refinery is building a new oven which will require 45,000 fireproof bricks. These have been ordered from Schoeller-Bleckmann and 144,000 schillings were paid in advance. A Danube barge loaded with approximately 200 tons of steel girders and joiners, arrived during mid-April at the Handelskai docks. The girders are destined for the Nova refinery where they will be used in the construction of two cracking installations.

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* Comment: Essentially the same information on the results of laboratory tests and output of well number 3

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** Comment: contained a more complete breakdown of the oil and gas wells drilled in the Matzen field. A well number 4 was mentioned as having struck rich oilbearing strata in which may be identical with the well mentioned here, but there has been considerable variation in the manner in which various sources have numbered these wells.

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